

## ***Climbing Out of Mississippi's \$700 Million Budget Hole***

**Governor Haley Barbour  
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When times were good Mississippi went on a spending spree. The Treasury bulged and every interest group got the money they requested from the Legislature. There was no prioritizing in state government – there was no “living within our means.”

As tax revenues slowed, State leaders began raiding special accounts and using one-time money to plug the hemorrhaging of red ink. It worked for a couple of years, but now the bill has come due and Mississippi finds itself in a \$700 million budget hole.

Mississippi did not get into this budget crisis overnight, and it will not be fixed overnight. After examining what I found upon arriving in office two months ago, I have an honest, straightforward plan to eliminate our shortfall in two years. My plan, “Operation: Streamline,” is based on simple principles:

### **No New Taxes**

Simply raising taxes is a cop out because it just ignores any accountability. Mississippi already has some of the highest taxes in the Southeast and raising taxes (or “fees”) even more is not only bad for overtaxed Mississippians, it is an impediment to job creation. Businesses will not locate here if the tax climate is too high for their business or their employees. My budget includes no new taxes, and I will veto any bill that raises state taxes. My definition of a new tax is anytime more taxes are paid to the state government in exchange for no increase in state services.

## **Control Spending**

Most Mississippians do not realize that the Governor controls very little in the Executive Branch. I have authority to appoint leaders at 10 agencies, but no authority to reorganize them. To save money and to increase efficiency, I want to have the authority for one year to streamline the agencies that report to me. This would allow Executive Directors to efficiently respond to changes in service demands, technology, and budget constraints by “smart-sizing” state government at a lower cost to the taxpayer. There is so much duplication in state government that just a minor consolidation of services could save millions.

One cost-saving plan would actually be a benefit to state employees. I want to give state employees more health insurance options, including a no-premium option, to enable them to choose the health coverage which works best for them while decreasing the overall burden of health insurance costs on the State’s taxpayers. State workers pay nothing for their own health insurance – a one-size-fits-all approach. Giving additional options to state employees and teachers whose different ages, incomes and situations call for different types of insurance coverage is the right thing to do. If we do not reform the health plan, the program will go broke by the fall.

## **No “Funny Money Accounting”**

Mississippi has a spending problem, and the first step in healing is admitting you have a problem. I want to confront this problem with honest budgeting. Some have advocated simply raising the revenue estimate – or how much money the state expects to take in – to fix our budget problems. But this is like buying a car you can’t afford because you just pretend that more money will materialize. This type of “funny money accounting” is one of the ways State government got into this mess in the first place. While I hope that more revenue will materialize, revenue trends in

recent months do not provide enough evidence to revise the growth estimate at this time. These and other suggestions like greater use of one-time special funds, questionable bond repayment proposals, and dipping into the principal of the tobacco trust fund do not represent the type of responsible budgeting Mississippians demand.

### **Fund Teachers/Education**

My budget eliminates the proposed cuts to Universities and Community Colleges - which have been slashed millions in recent years while their student population has increased. This proposal was the largest spending increase in my budget. Because Kindergarten through 12<sup>th</sup> grade education funding has not been cut as drastically as higher education recently, I accepted the funding level unanimously recommended by the Joint Legislative Budget Committee. I also included money for another teacher pay raise in my budget. I believe that funding for education must continue to be the top funding priority of state government. That is why I am committed to working with the Legislature to find more money for K-12 education.

### **Call Your Legislator at 601-359-3770**

Mississippians have to make responsible choices when they budget around their kitchen tables. It's about time State government learned to do that, too. Help me in lobbying for no new taxes, controlling spending, using honest budgeting and setting priorities like education. If we do these things we can put Mississippi in a position to do better for years to come.